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Town of Vegreville

Core Services Review

Public Report

May 9, 2016

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Introduction

Russell Farmer and Associates was engaged by Council to Complete a Core Services Review project. The focus of the project was to conduct an organizational health-check. The review was focused on organizational effectiveness and employee satisfaction using a combination of paper surveys, individual interviews, workshops, and document reviews. The following is included in the scope of the Core Services Review:

- Assess community satisfaction with municipal service delivery, and identify both areas of strength and opportunities for improvement.
- Review service levels to determine if service level expectations are: documented, appropriate, achievable, and achieved.
- Review the delivery of municipal services, offering alternatives that will yield desired results at a lower cost and/or with improved responsiveness to the citizens.
- Review of overall staffing levels with analysis and recommendations. This includes review and analysis of each work unit to make recommendations on ideal staffing compliments and/or use of outsourcing when appropriate.
- Review the cost of service delivery, and complete a benchmarking study to compare costs, staffing levels, and service delivery leading practices.
- Assess organizational design, communication, and division of responsibility between organizational units identifying opportunities for improvement and for the adoption of leading practices.

This project was completed between August, 2015 and March 2016.

Methodology

Our Core Services Review methodology is based upon the concept that structure follows function. If the function of the organization is understood then the organizational structure that best supports the function is the right structure. In order to understand the functions within an organization our organizational review focuses on three major areas within an organization: (1) Governance; (2) Process; (3) Structure.

Our Core Services review process included the following components:

- An extensive organizational survey of all staff;

- Development and administration of a community satisfaction survey, distributed on the Town’s website, and by mail;
- One-on-one meetings with each elected official;
- One-on-one meetings with each member of the senior leadership team;
- One-on-one meetings with managers, or other targeted employees relevant to the project;
- Workshops with selected members of each department;
- An extensive process of document collection and review;
- Benchmarking of the Town of Vegreville against a set of seven comparable organizations for size, services, and structure;
- Targeted depth analysis in key areas of interest within the organization; and
- Development and administration of a salary and compensation study for municipal employees.

All feedback and information we received should be considered a “point in time”. This means that we believe our findings to be an accurate representation of the state of the organization at the time that the findings were developed. The situation in the municipality may have changed by the time the final report was provided to Council, including changes to staffing in some organizational units.

General Comments

This report makes use of public survey results as a means to assess satisfaction with service delivery. The following comments related to the Town as a whole.

- 78.8% of residents agree that the Town provides a good services to residents
- 46.7% of residents agree that tax rates are reasonable.
- 58.7% of respondents believe that the Town is appropriately staffed.
- 54.2% of residents believe that the Town is financially well managed, with an additional 17.8% unable to respond.

A common response on open-ended questions is that residential tax rates are seen as being too high. Resident dissatisfaction with tax rates would not be considered an abnormal finding for a municipality.

	Residential Mill Rate	Residential Equalized Assessment
Average	6.564	\$639,722,353
Vegreville	7.869	\$518,799,567

It is observed that higher residential mill rates are associated with lower municipal assessments. Vegreville has a below average residential equalized assessment. Vegreville's taxation rates would, therefore, not be considered abnormal relative to benchmarks. It is noted that Vegreville's deviation on equalized assessment of 19.9% is relatively similar to the deviation on residential mill rate of 18.9%.

The finding that many residents believe that the Town is over-staffed may be impacted by a 2013 newspaper article which contended that Vegreville's staffing levels were double those for comparable municipalities. Vegreville does have higher staffing levels than municipal benchmarks.

	Vegreville	Market Average	Market Median
Number of FTE Management Staff (permanent only)	10.00	8.71	8.00
Number of FTE Supervisory Staff (permanent only)	8.00	9.50	8.00
Number of FTE Non-Management/Non-Supervisory Staff (permanent only)	76.00	44.16	43.00

This report does identify a number of areas where Vegreville exceeds municipal benchmarks for staffing. In some cases, these findings are explained through provincial contracts, organizational design, or regional service delivery models. Some examples of this include:

- The ambulance service increases the Town's FTEs by 12 employees, but the costs for these additional staff are fully covered by the contract.
- Vegreville provides solid waste management through municipal employees, which accounts for 5 FTEs. Other municipalities contract the service from an

external provider. As discussed in this report, contracted services are not necessarily more cost effective than using municipal employees.

Throughout this report, we compare costs and staffing levels for various functions. In many cases, we identify that staffing differences are justified. In other cases, recommendations are made to reduce staffing levels. At the conclusion of the report, final assessments are made on total municipal staffing levels.

Throughout this report, we consider resident feedback and satisfaction with each area of operations. When looking at this data, it is instructive to consider benchmarks or general trends for municipalities with resident satisfaction. We compiled a data set that compares satisfaction feedback for a data set of six municipalities.

Percentage of Survey Respondents Rating Services Highly (Very Satisfied/Satisfied, Very Satisfied/Somewhat Satisfied; or High/Very High)							
Service	Muni A	Muni B	Muni C	Muni D	Muni E	Muni F	Vegreville
Fire/Ambulance	84.7	93	80	95	73	95	87.4
Family Support	61.9	63	-	-	-	83	61.1
Indoor Rec Fac.	78.2	66	68	79	-		77.1
Parks & Open Spaces	75.8	94	81	94	48	77	84.3
Bylaw Enforcement	42.8	59	-	78	41	75	58.0
P & D	36.5	41	37	73	28	65	43.0
Summer Road Maintenance	52.7	68	26	76	-		54.3
Winter Road Maintenance	54.8	68	-	72	49	66	54.3

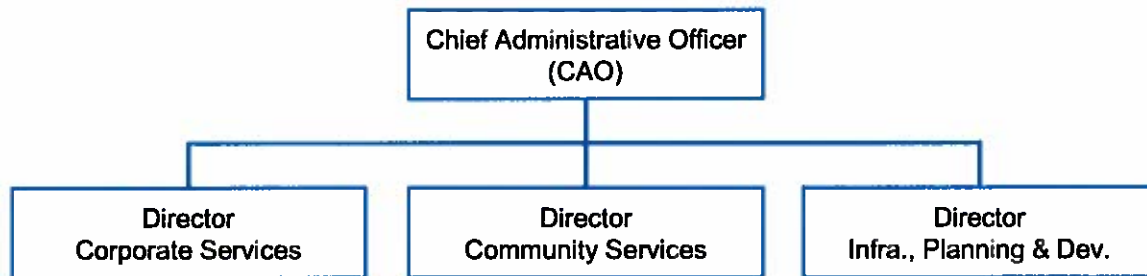
Note from these results that it is relatively common that service areas like fire, ambulance, and parks will score very highly, while P&D, bylaw, and winter road maintenance will score less highly.

In assessing the quality of service delivery to residents, we believe that the Town of Vegreville meets a high standard. On benchmarks for service delivery the Town is

generally seen to be a leader. Resident satisfaction levels identified throughout this report confirm this finding.

Senior Management Team

The current structure of the Senior Management Team is as follows:



Our findings with respect to the Senior Management Team include:

- The current structure and division of responsibility for the Senior Management Team is appropriate based on the size and scope of services for the Town.
- During interviews, there were no significant issues raised with the current model.
- The CAO has not exceeded his acceptable span of control, and could take on additional direct reports, if required. This report later addresses a recommendation for a new organizational unit entitled “Strategic Services” reporting directly to the CAO.
- The designation of a member of the Senior Management Team as “Assistant CAO” would be a positive revision that could be completed by a simple change to job description.
- The majority of residents (63%) believe that the Town’s administration is well run, with 10.8% having no opinion or being unable to comment.

Corporate Services

The role of Corporate Services Director, with various titles, is present in virtually all municipal organizations. Six of our benchmarked organizations reported having a Director of Corporate Services, with a very high job match. Corporate Services is generally responsible for business processes that cross organizational boundaries, or

which support organizational units with an operational or resident-service focus. The actual combination of services performed by this department changes by organization, and with application of leading practices.

While the scope of work for the Director of Corporate Services is reasonable, the combination of functions falling under this department would be considered non-standard. Some non-standard functions being performed include:

- Oversight of Community Peace Officers (CPOs) and RCMP relationship management
- Occupational Health and Safety (OH&S) – the Director is currently overseeing a consulting project to bring safety materials and processes up-to-date.

In completing this project, some areas were noted as needing increased organizational focus or improvement:

- IT support is a contracted resource within Corporate Services. Lack of technical support is identified as an issue across the organization.
- Records management is currently not an assigned function. Policy and oversight of records management should be assigned within the organization.
- Policy management (development, updating, tracking) is identified as a source of organizational weakness and requires assignment.

Finance

The Finance unit is headed by the Finance Manager, and has five clerks with assigned responsibilities for payroll (and cemetery), utilities, accounts payable, accounts receivable, and general accounting support. It is noted that the Director has responsibility for budget, while the Manager has responsibility for Audit. This is not a standard separation of responsibilities, and means that a higher than normal responsibility for some accounting functions is distributed as a responsibility to the Director.

Benchmarking of finance departments reveals the following information for comparables:

- Five of the seven benchmarked municipalities reported having a Finance Manager. Other comparables have a dedicated Director of Finance without a subordinate manager.
- The six staff in the Town dedicated to finance and accounting functions benchmark as large relative to comparable municipalities. We, consider

Vegreville's finance and accounting group to have 1 FTE more than would be considered standard.

- Reception and switchboard functions would be considered standard functions within corporate services in benchmarked municipalities. Vegreville's finance group is currently doing front desk reception, but not switchboard. It is noted, however, that the switchboard function varies by municipality with the adoption of leading practices including automated switchboard functions.

Human Resources

The HR Coordinator role is not common among benchmarks. Only two of the seven benchmarked municipalities reported having a comparable position. The position of Human Resources Coordinator was a new addition to the Town of Vegreville in 2014. The position was subsequently vacated in late 2015.

The Core Services Review provides the following findings:

- It was identified that understanding of the role of the HR Coordinator, and use of the HR coordinator was not standard or well defined amongst the Town's managers. The role description that many provided would be more consistent with an analyst than a coordinator. Managers were reluctant to lose control over hiring and labour relations matters.
- During the Core Services Review, it was identified that current HR practices show opportunities for improvement.
- It is our assessment that the HR Coordinator role, as executed by the Town, was ineffective. The individual in this role was not effectively engaged by the organization in core HR functions or addressing identified HR deficiencies.

It is our assessment that the size and culture of the organization, at this time, does not support the need for a full-time HR professional.

Municipal Enforcement

Municipal Enforcement provides enforcement of municipal bylaws and Provincial Acts for the Town of Vegreville. The organizational unit also provides contracted services to a number of municipalities, including: Andrew, Mundare, Willingdon, Ryley, Holden, and Tofield. Vegreville has previously provided services to Two Hills, Mannville, and Minburn (Village). Vegreville currently employs two Community Peace Officers (CPOs), and three clerks. Clerks are allocated as 2.5 FTE to the RCMP, and 0.5 FTE to municipal enforcement.

Benchmarking and financial analysis provide the following findings:

- Six benchmarked municipalities each reported having one CPO. Vegreville, therefore, has a larger compliment of CPOs than benchmarks.
- With salary, benefit, and training costs considered, it is our assessment that current contracts offset less than 50% of the total costs associated with employing an additional CPO.
- 2014 expenditure data shows that expenditures for benchmarked municipalities on bylaw enforcement is substantially less than Vegreville's expenditures in this area.
- The number of clerks appears to be reasonable, and consistent with benchmarked municipal standards.

During interviews, some issues were identified with the operation of Vegreville's Municipal Enforcement unit. These included:

- The unit lacks a clearly documented organizational structure with hierarchy and a senior resource with management responsibility.
- The CPOs have not provided adequate support to Planning and Development. This lack of support creates issues with enforcing municipal planning bylaws, and for the safety of P & D staff.
- The unit does not produce effective documentation and performance reporting which would allow for performance monitoring. The Director has identified that this information is available, but has not been requested.
- Municipal enforcement is separated in the organization from other business units related to protective services, such as fire and ambulance.
- 58% of residents view municipal bylaw enforcement as satisfactory. This is low relative to other areas of municipal operation. However, it is not low relative to other municipal benchmarks.

Additional Findings - Budgeting

During interview, Councillors and senior administration identified that there is an opportunity to improve the budgeting process. At the conclusion of the Core Services Review, the Town will be in a good position to consider a review and update to the budget process.

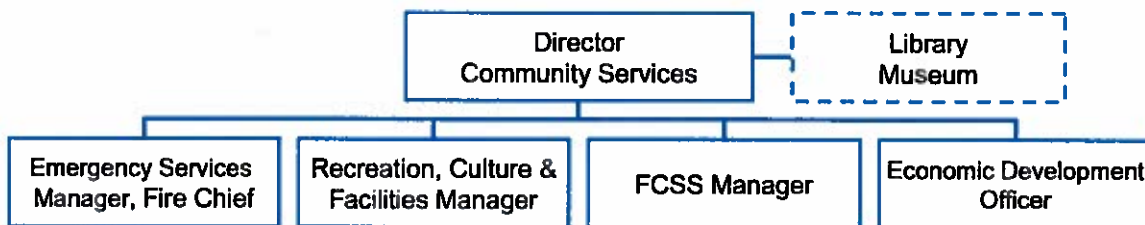
Changes to Design and Operations

With recommendations to eliminate the HR Coordinator position, and to re-locate both bylaw enforcement and OH&S functions, Corporate Services becomes more focussed

as a business services unit. The Director will have a single direct report; the Finance Manager. With the recommendation to reduce the number of clerks to four, the department will have a total of six employees. This is consistent with municipal benchmarks.

Community Services

Community Services is currently responsible for Emergency Services; Recreation, Culture, and Facilities; FCSS; Economic Development; and the Town's relationships with both the Library and the Museum. This is not an uncommon or unreasonable collection of responsibilities for a municipal department. The span of control and the collection of duties appear reasonable. There is no indication through the feedback obtained during this project that the Director is not successfully managing this Department and its associated organizational units.



Recreation, Culture and Facilities

The combination of recreation and facilities is not uncommon. Facilities maintenance generally either falls with recreation under community service, or within public works. There is no indication through interviews or workshops that the current model is an issue, or that the manager is unable to effectively manage the current allocation of responsibilities. It is important to note that Vegreville operates more recreation facilities than comparable municipalities. The unit has 12 full-time staff (FTEs).

Our review of this organizational unit provided the following findings:

- The facilities staff has taken on more responsibility for building maintenance, with less maintenance activity being contracted. Only specialized trade work is contracted out.
- The Assistant Recreation Manager position is identified as being an ineffectively utilized resource. The unit is currently top-heavy with a Manager, Assistant Manager, Supervisors, and a Foreman for a 12 FTE group.
- The organizational unit does not engage in cultural programming, and has no staffing resources dedicated to activities that could be termed "Culture".

- The Town's camp ground is split responsibility with Parks, Recreation, and Economic Development. Parks does maintenance while Recreation operates the Visitor Information Centre. This is done by three summer students reporting to the Assistant Manager.
- 77.1% of residents agree that Town-owned recreational facilities are satisfactory. 57% of residents agree that the Town's recreation programming is satisfactory (23.6% unable to respond). 85% of residents agree that Town-owned facilities are well maintained. It is our assessment that residents are generally satisfied with the performance of Recreation, Culture and Facilities.

Library

Funding for the Town Library is acknowledged by Council and senior management to be an abnormally high cost relative to the cost of library facilities in other municipalities. Our assessment of Library operations made use of 2013 public library statistic provided by Alberta Municipal Affairs. Using this data, we provide the following observations:

- Vegreville's Library is open an average of 19% more hours per year than comparables. This indicates a potential to reduce operating hours.
- Vegreville's Library makes use of 6636 more staff hours per year, 71% more than comparables, equal to an additional 3.65 FTEs.
- Vegreville's Library slightly under-utilizes volunteers relative to benchmarks. While the library has fewer volunteers than benchmarks, those volunteer work more hours each, which would have the potential benefit of greater knowledge and productivity.
- Specifically related to library services, Vegreville has a larger scope of operations. This includes substantially larger collections and greater total square area than average.
- The Vegreville Library operates through higher local appropriations per capita relative to benchmarks. Total local appropriations per capita are 83% higher than benchmarks. Beyond local appropriation, Vegreville's library is relatively close to benchmarks on the use of provincial operating grants and other forms of government income. However, the facility is below average on self-generated income.
- The Vegreville Library is significantly above market on total expenditures relative to comparables (73.7%) this is primarily attributable to higher staffing costs (39.7%) and administrative costs.
- Decisions relating to its operation are at the discretion of the Board of Directors, subject to the funding provided by the Town. However, given that 68.5% of costs

are staffing related, the options would appear to be a reduction in operating hours, or a reduction in programming.

Family and Community Support Services

Family and Community Support Services (FCSS) provides a variety of social programs to positively affect the quality of life for residents of the Town, and the surrounding area. FCSS operates an 80/20 funding partnership between the Government of Alberta and participating municipalities. FCSS operations receive their mandate and guidelines from the Family and Community Support Services Act and supporting regulations.

Vegreville's FCSS organizational unit is responsible for the following:

- FCSS and ratepayer funded programming including services for seniors, children, families, and youth.
- The Mental Health Capacity Building Project (5 FTEs), which is 100% provincially funded.
- The Parent link Centre (2 FTE, 2 PTE), which is 100% provincially funded
- Family Day Home Program (1 FTE), which is currently 100% provincially funded (could be subsidized by Town if insufficient enrolment)
- A community counsellor, which is subsidized by the Town, but acts on a fee for service basis for residents both inside and outside the Town.

To provide programs and services, and to manage Government of Alberta funded programs, FCSS employs six full-time staff. This includes: a Manager, and Assistant Manager, three Coordinators, and an Administrative Assistant.

Our review of Vegreville FCSS identifies the following:

- The level of ratepayer funding provided to FCSS is quite large relative to benchmarks. Benchmarked municipalities report staying close to provincial program 80/20 funding requirements. Under this model, the Town would be required to provide \$34,200.75. For 2015, the Town provided \$217,340.37.
- In some communities FCSS exists as a society. In Vegreville, it is an organizational unit of the Town.
- The majority of FCSS related community services funding comes from external funding sources including government grants and inter-municipal partners.

- FCSS occupies a very large space in the Town Office. This includes independent reception, washrooms, kitchen, boardroom, project room, counselling room and extra office space. From a location standpoint, it is a uniquely resourced municipal unit.
- The majority of residents are either unaware of the Towns FCSS related programs, or view them favourably.

Space Recommendation

Both FCSS and the Library occupy disproportionately large spaces. It is also noted that potential synergies exist between Library programming, FCSS programming, and access to Library facilities, including the gymnasium. Based on an initial assessment of the Library space, we believe that the potential exists to move FCSS programming into the library facility. This move would have a number of potential benefits:

- It would “right size” the library to a size consistent with library space in benchmarked municipalities.
- It would “right size” FCSS offices to a size appropriate to their staffing levels.
- It would allow for joint programming and operational synergies between Library services and FCSS.
- It would allow the Town to re-purpose existing FCSS space.

During this Core Services Review it was identified that space issues exist in other areas of municipal administration including allocation of space for Fleet, RCMP, and Recreation, Culture and Facilities. The Town would benefit from a broader look at space allocation and administrative facility requirements. An assessment of the opportunity to locate FCSS in the Library could be completed as a component of a broader Facilities Study.

Emergency Services

Emergency and protective services functions are distributed across the organization.

- Fire and Ambulance: Community Services
- Bylaw Enforcement: Corporate Services
- Emergency Management: Infrastructure Planning and Development

The Emergency Services Manager, also designated as Fire Chief, is responsible for both the Town’s volunteer fire department, and the ambulance service operated under contract from Alberta Health Services (AHS). The manager of this organizational unit is

a part-time position. The presence of the ambulance service makes this a difficult unit to benchmark. Only three reporting municipalities had a comparable position to Emergency Services Manager. Comparables without this position either had a fire chief, without responsibility for an ambulance service; a director with combined responsibility for Fire and enforcement services (Peace Officer), or a completely separate entity like a regional fire authority. The regional authority model is a potential option for future consideration.

Our evaluation of Emergency Services has provided the following findings:

- The Ambulance Service operates under contract from AHS. The combination of Provincial grants, Alberta Blue Cross and private insurance billings provides \$1.71 million dollars in revenue against a \$1.75 million dollar budget. With other revenue sources considered, the actuals for 2015 showed a surplus of \$85.5 thousand dollars. It is our assessment that the ambulance service, under the revised three year contract, is likely cost-neutral or slightly positive.
- It was identified by management and by an AHS review that the ambulance service is administratively heavy.
- There is a perception that the Fire Coordinator role is under-utilized. However, benchmarks or organizational capacity do demonstrate that volunteer fire departments may have full FTE fire chiefs and deputy fire chiefs. The Fire Coordinator is currently responsible for inspections and compliance audits. This individual has recently sought training in OH&S, which is a good fit of skill sets with a compliance audit role. It is recommended that the Fire Coordinator take on the Safety Officer/OH&S role for the Town. The Safety and OH&S role is currently divided, with the Director of Corporate Services overseeing a consultant project to bring occupational health and safety practices up-to-date, and the Head Utilities Operator tasked with the role of Safety Officer.
- Our assessment of the organizational unit is that the span of control for a single manager is not unreasonable, and that coordination between ambulance and fire is facilitated by a single manager. We recommend retaining and expanding upon the existing organizational structure, with a Manager of Emergency and Protective Services becoming a full time position with expanded responsibility for Emergency Management. The Emergency management role would be re-assigned from the Director of Infrastructure, Planning and Development. In this model, the Manager of Emergency and Protective Services (formerly, Emergency Services Manager) would remain as Fire Chief, and would have two reporting positions: 1) Fire Services Coordinator, and 2) Ambulance Services Coordinator (or retaining the title "Ambulance Manager").
- It is discussed elsewhere in this report that the current operation of the Community Peace Officers is not optimal, and the recommendation is made that

they be re-positioned to Community Services. We recommend that the CPOs report to the Director of Community Services.

- Responsibility for relations with the RCMP should be transitioned from the Director of Corporate Services to the Director of Community Services to reflect the Directors responsibility for the Emergency and Protective Services portfolio.
- 87.4% of residents agree that the fire and ambulance services provided by the Town are satisfactory. 82.3% agree that they feel safe living in Vegreville. It is our assessment that residents are satisfied with the quality of emergency and protective services provided by the Town.

Economic Development

The Economic Development function for the Town currently reports to the Director of Community Services, and has two supporting resources: an Administrative Assistant who, among her functions, supports the Tourism component of the Economic Development portfolio, and who has also assumed a role in Social Media for the Town, and a Clerical resource that is split with the Chamber of Commerce. Our assessment of Economic Development provides the following findings:

- The Economic Development function for the Town of Vegreville benchmarks as being over-resourced. Of the seven municipalities surveyed, five have a full-time EDO, including one Town where the position is vacant. In none of the surveyed municipalities did the EDO have support resources.
- The majority of respondents to the community survey identify themselves as being satisfied with the pace of economic development. However, nearly 40% of respondents were dissatisfied. Written response comments related to Economic Development focused on attracting more businesses and professional services, especially to the downtown.
- The Town currently has an Economic Development Standing Committee. This committee creates a governance issue, as Council committees should not be directing administrative staff. It is advisable that the standing committee be replaced by ad-hoc committees created with well defined mandates to give advice on specific issues.
- Part of the role of the Tourism portfolio is responsibility for the Visitor Information Centre (VIC) at the Elks/Kinsmen Park. It has been identified that the VIC functions primarily as a washroom facility and a concession facility. Currently, operations at the VIC and adjacent campground is divided among Parks, Economic Development, and Recreation. We believe that primary responsibility for the operation of this facility can be placed with the Parks Department.

Changes to Design and Operations

Based on the changes recommended in this section, and later sections, Community Services would be re-focused to recreation, facilities, emergency services and municipal enforcement. FCSS, Library, and the Museum would remain within the Directors portfolio. The RCMP would be added as an additional managed relationship. The Director would have three direct reports: the Emergency and Protective Services Manager, the Recreation and Facilities Manager, and the head of Municipal Enforcement.

Infrastructure, Planning and Development

Infrastructure, Planning and Development (IP&D) consists of three organizational units: Public Works and Utilities, Parks and Fleet, and Planning and Development. This is a standard collection of responsibilities for a Director.

When benchmarking the size of Public Works, Utilities, Parks, and Fleet, it is most useful to look at combined staffing. Facilities was included as well to allow for a comparison of total Labourers and Operators. This is because the separation of Operators and Labourers is not always divided in a consistent fashion between these functional units.

Vegreville does appear to have higher than normal staffing levels in a number of areas:

- Equipment Operators: 18 Vegreville / 8.9 Comparators
- Labourers: 7 Vegreville / 4.8 Comparators
- Seasonal Labourers: 16 Vegreville / 6.9 Comparators
- Mechanics: 3 Vegreville / 0.8 Comparators

The section that follow consider the causes behind the staffing level differences between Vegreville and other municipalities, and identify that, in most cases, it is well justified.

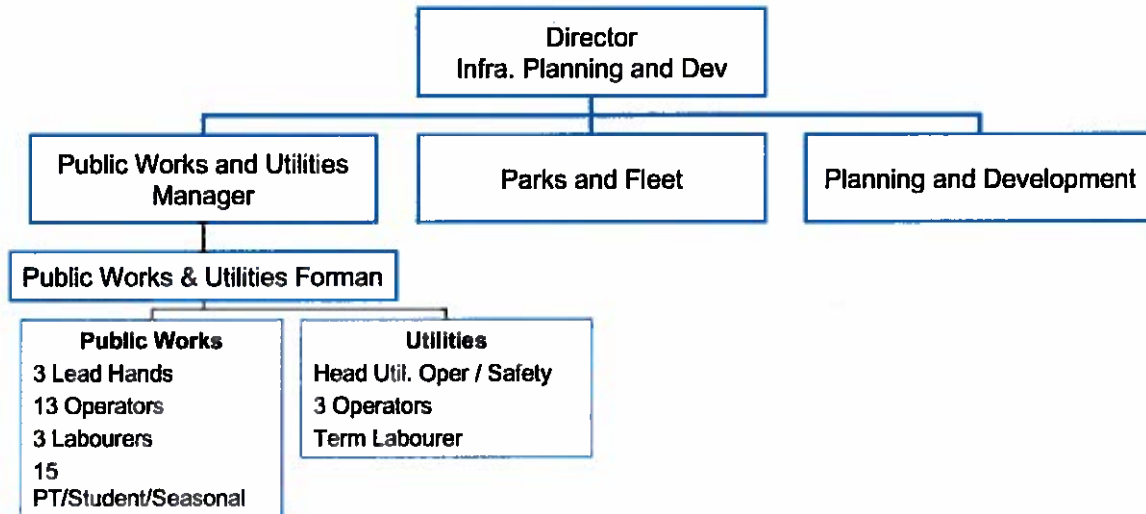
Public Works and Utilities

Public Works and Utilities is currently a combined department reporting to the Public Works and Utilities Manager. The manager position is vacant, as of January, 2016. Due to recent operational and management issues, many aspects of the Public Works and Utilities Manager position were being fulfilled by other individuals or organizational units. This includes:

- The Head Utilities Operator has been reporting directly to the Director on most matters, and has been acting as the head of the utilities unit

- Management of municipal properties has been done by the Manager of Parks and Fleet.
- Capital projects have been managed by staff in Planning and Development

This section contains significant recommendations for re-structuring and re-alignment of functions. It has previously been recommended in this report that Emergency Management responsibilities be moved from the Director of Infrastructure, Planning and Development to the Manager of Emergency and Protective Services.



This organizational unit has been operating with less than its full allotment of FTEs due to prolonged absences and intentionally held vacancies. These include:

- The Public Works Lead Hand position has been subject to prolonged absences over a two year period.
- An Equipment Operator position within Public Works has been left vacant. The individual in this position was promoted to Lead Hand, and the position of Equipment Operator was left vacant. This position can be eliminated.
- The Term Labourer position in Utilities was in place to complete a water meter installation project. This position expired in December, 2015, and can be eliminated.

To discuss finding and recommendations related Public Works and Utilities, operational areas will be discussed separately.

Solid Waste Management

Vegreville operates its own garbage collection service. The majority of benchmarked municipalities make use of non-municipal service providers to collect solid waste and to

operate landfills. The most common forms are waste management authorities, waste management commissions and contracted service providers. Among benchmarks, 29% operate their own landfill, and 57% operate a recycling facility. Our findings in this area are as follows:

- Vegreville has its own municipally operated landfill, with 50 years of operational life remaining. The Director has expressed an interest in implementing scaling and a tonnage fee at the Landfill. This would require two additional FTEs to operate.
- Vegreville makes use of two trucks operating full year and a third truck in the summer to address compost and additional recycling. Vegreville was a leader in automation, as automated trucks replaced rear-loading 20 years ago.
- Vegreville operates on a ratio of garbage, recycling, and composting receptacles to homes. Vegreville, therefore, operates as a benchmarked leader in cost effective automation and ratio-based pickup relative to other municipalities.
- While recycling and composting programs are expensive initiatives, they are positive environmental choices as recycling programs extend the life of landfills and composting programs limit groundwater contamination.
- Based on comparables, it is our assessment that Vegreville provides cost-effective service.
- In 2015, Council rejected a budget request to replace an aging collection truck. This asset will need to be replaced. If the Town chooses to obtain quotes for solid waste collection, it is recommended that this be completed before new capital assets are purchased.
- Solid waste collection, and the operation of both a landfill and a recycling centre requires 2.5 operators as drivers, one VMRF lead hand, and 1.5 FTEs at the Landfill. There are, therefore, 5 FTEs assigned to solid waste management functions that may not exist in other municipalities which make use of contracted services. However, as Vegreville appears to be a cost effective service provider, saving FTEs by contracting the service may not result in cost savings.
- 91.8% of residents are satisfied with the quality of waste management services provided by the Town. This is a very strong result relative to other areas of municipal operations.

Road Maintenance

The majority of Vegreville's Public Works activities are related to road maintenance. This includes road repair, maintenance and cleaning in the summer, and snow removal in the winter. Our review of road maintenance identified the following findings:

- Vegreville does very little snow plowing. The majority of activity is related to snow removal. This is not standard for benchmarked municipalities. The Town has approximately eight FTEs during the winter engaged in snow removal using a combination of graders, trucks, and single axle vehicles.
- Vegreville does not use documented snow removal service standards, but does use a combination of resourcing levels and priority removal areas. Public works had clearly defined priority areas. When service standards were increased by the previous Council, it was done through the addition of equipment and manpower, not by revising documented service expectations.
- Contracting of snow removal is not a viable option. It is not cost effective for a contracted service provider to have equipment and manpower on sight for timely removal following a snowfall. The only option to change service costs would be to change service level expectations. This would involve reducing the equipment and FTEs associated with snow removal, and moving to more blading.
- Road cleaning is done continually all summer, with 1 FTE assigned to road cleaning.
- With respect to road repair: small hot asphalt patchwork is contracted out, as the Town lacks the required equipment; large sections of cold-mix road repair are contracted to the County of Minburn; summer and seasonal staff are hired to do spray patching and road painting.
- Sidewalk repair is contracted. Historically, it has been budgeted for \$200,000 to \$250,000. However, budget for this expenditure has frequently been cut, as it was in 2015.
- One grader and one operator are engaged during the summer to do gravel roads and back alleys. The gravel contract is tendered every 2-3 years.
- The Town maintains a 20 year road replacement plan, and a capital asset replacement plan.
- Vegreville's 2014 actuals show a cost of \$4,811,450 compared to a benchmark average of \$2,548,102. This is high on both a per capita and a per km basis. However, it appears that service delivery for roads maintenance may not be more expensive. We identify that the major

deviations are on amortization and capital expenditures, whereas salary and benefit costs are virtually identical to benchmarks.

- Although Vegreville appears to be providing a higher standard of service than benchmarked municipalities, only 54.3% of residents agree that it is satisfactory. That is not abnormal, as the standard for benchmarks is often around 60%. In written comments, snow removal was frequently identified as an issue.

Utilities

The Utilities unit provides water and wastewater services to the Town of Vegreville, as well as contracted services to the Alberta Central East Regional Water System (ACE), and the municipalities of Andrew, Lavoy, Two Hills, Willingdon, Innisfree, and Mundare. Revenues from water operations are as follows:

Including the head utility operator, Vegreville has 4 utility operators relative to a benchmark of 3.4. The Town also has higher expenses for water and sanitary sewer services than the average for benchmarks. However, contracted services and sale of goods more than offset the cost of providing services regionally. The cost of an additional 0.6 of an operator is captured by regional service delivery.

Residents are satisfied with the quality of utility services they are receiving. 85.3% of residents report being satisfied with utility service delivery.

Parks and Fleet

Parks and Fleet is not a standard combination of functions in a single organizational unit. Generally, responsibility for parks is placed with recreation, while fleet is with public works. However, in this case, there is no indication that the combination is not operating effectively. The Manager of Parks and Fleet has a reasonable span of control, and there were no operational issues with the unit identified during the Core Services Review process.

Fleet

Fleet is responsible for all purchasing, after-market additions, maintenance and disposal of vehicles and heavy equipment. Vehicle maintenance is done in-house, only contracting out if they are behind, or on specialized projects. The biggest limitation identified for fleet, and for fleet maintenance is the size of the facility. There are only three maintenance bays.

The unit has budgeted a Head Mechanic, two Mechanics, and an Apprentice Mechanic. One of the mechanic positions is vacant. The town originally recruited for a mechanic, and were unable to find one. The apprentice mechanic was hired to grow into the role, and the additional mechanic position was budgeted, but left vacant. The average for

benchmarks is 0.8 mechanics, indicating that the majority of comparables have either 1 or 0. Our findings on fleet are as follows:

- 1 full FTE mechanic is responsible for maintenance on ambulances. This expense is covered by the contract for ambulance service with AHS.
- The head mechanic is nearly 100% allocated to repair and maintenance of grass cutting equipment from May 1st to September 30th. This is further addressed in the Parks section of this report.
- The vacant mechanic position can be eliminated, on the understanding that the FTE for the Apprentice Mechanic will become a mechanic position when this employee successfully completes training.

Even with allocation of one mechanic to ambulance maintenance, Vegreville is still significantly more heavily resourced for mechanics than benchmarks. In part, this is due to:

- maintenance of a solid waste collection fleet, including a vehicle which has been extended past its anticipated lifespan. Most benchmarked municipalities do not have garbage trucks.
- A larger than normal fleet of snow removal equipment, attributable to higher than benchmarked snow removal standards.
- A significantly higher than normal standard for grass cutting, which is discussed later in this report with recommendations for reduction.
- No contracting of maintenance services. This practice may be cost effective.

Parks

Parks has a Parks Foreman, three operators, and one Labourer. In the summer, parks hires approximately 11 summer staff, mainly students. In the summer, Parks is engaged with grass cutting, herbicide and pesticide application, walking trail maintenance, and rodent control. Parks cuts grass for all recreational fields, but recreation paints lines and maintains sport components. In the winter, Parks does snow removal on walking trails and tree trimming on municipal properties, rear lanes and boulevards. Parks also maintains outdoor skating rinks.

Having reviewed the Town's grass cutting practices, we have determined that significant cost savings can be realized by reducing the Town's standards and practices for grass cutting. This would include:

- Withdrawing from Communities In Bloom, both Nationally and Provincially, which mandates the high standards for grass maintenance. In addition to

high maintenance costs, the 2014 and 15 budget actuals indicate that Communities in Bloom has costs associated with membership of approximately \$20,000.

- Reducing grass cutting standards in non-priority areas, changing grass planting to lower maintenance options, and reducing non-priority community beautification activities.

An operator position has been vacant since summer, 2015. This position would not have to be re-staffed if cutting standards were reduced. In addition, summer/seasonal staffing could be halved; and there would be associated reductions in fuel, equipment, supplies, and maintenance. We estimate cost savings of approximately \$200,000, which does not include a re-allocation of time for the head mechanic.

84.3% of residents believe that the condition and quantity of parks and open spaces is satisfactory.

Planning and Development

Planning and Development is headed by the Planning and Development Coordinator, two clerks, and a summer student. This group processes 320 business licenses each year. Home occupations and development permits are done internally, and generally take less than one week to process. Building permits are contracted to the Inspections Group, and take two weeks. All timelines for this department are very good relative to other municipal standards.

The size of P&D benchmarks well with comparable municipalities with an average of 2.4 FTEs. Three municipal comparables have an equivalent position to Planning and Development Coordinator. Three other municipalities had director or manager positions heading this unit.

43% of residents believe that P&D is satisfactory with an additional 34.5% unable to provide a response.

Changes to Design and Operations

Recommendations for Infrastructure, Planning and Development result in changes to organizational design, and to the allocation of responsibilities.

- The Director is no longer responsible for Emergency Management
- The Head Utilities Operator becomes the Utilities Manager

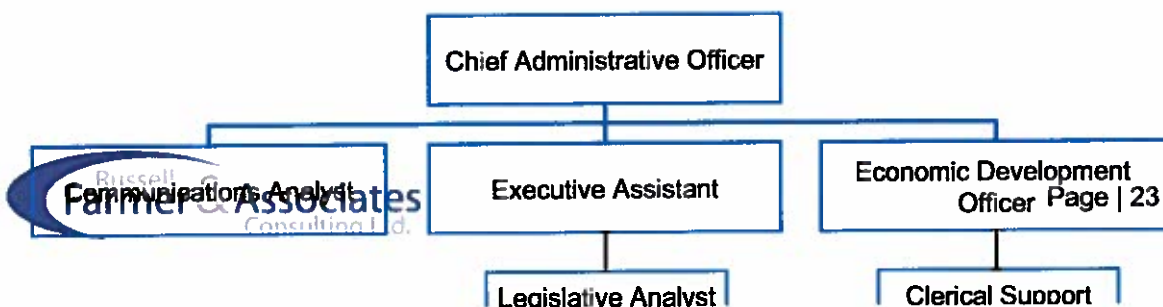
- The Manager of Public Works and Utilities position (currently vacant) becomes the Public Works Manager. This position will be easier to fill, and to manage.
- The Utilities Manager is no longer responsible for Safety
- Recycling (VMRF) is moved from Public Works to Utilities.
- The Parks and Fleet Manager has responsibility for Municipal Properties and Cemetery. Municipal Properties was already being managed by this unit, it was simply not reflected in the formal assignment of roles. Cemetery is a shared responsibility with Finance doing the administration, Public Works doing internments, and Parks managing the care of the facility. From a reporting and regulatory standpoint, we believe it is best allocated to the Parks and Fleet Manager, with other units continuing to perform their roles.
- Planning and Development formally assumes responsibility for Capital Projects. This was already being managed by this unit, it was simply not reflected in the formal assignment of roles.

Strategic Services

As discussed elsewhere in this report, there are operational areas which we believe would benefit from relocation within the organization. Some common issues which we are trying to address include:

- An absence of organizational focus on areas that are identified as priorities
- Operational areas closely aligned with Council priorities that cross organizational units
- Functions that act as a support service to Council or Council committees

In larger municipalities, functions like: legislative services, communications, corporate planning, economic development, and human resources, can be established within stand-alone organizational units. While we do not consider any of these areas to be large enough for the Town to establish them as independent units under a manager or director, we do believe they would benefit from a greater organizational focus. In addition, some of these areas either support Council, or would demonstrate synergy by being placed together. We are, therefore, recommending the following organizational unit be established:



This organizational unit reports to the CAO, who is responsible for their oversight and direction. The CAO gains responsibility for communications and economic development, which extends his span of control to six (6) individuals. This is still within a reasonable number of reports. The following details are provided to guide the creation of this unit:

- During interviews, it was expressed that the Town has issues with effective communications. In spite of the perception that communication is an issue for the Town, 68.2% of residents believe that the Town provides good communication. The Communications Analyst role is new. The Communications Analyst position serves as a resource to both administration and Council. Functions of this position would include: advertising, media releases, brochures and newsletters, corporate identification, promotion and publicity, coordinating staff and Council communication training, website administration and social media administration. The first priorities for this position are: developing a communications plan for the Town, and developing communications policies.
- The Executive Assistant Role already exists, and has a support resource. Under Strategic Services, this individual would assume a different focus. While the role still supports Council and the CAO, it takes on a greater legislative function.
- For the Executive Assistant to assume the greater legislative services role, the position requires a direct report that is capable of providing legislative support. The legislative analyst role would assume many of the scheduling, internal communication, and Council secretariat services currently being performed by the Executive Assistant.
- We believe that placing Economic Development within Strategic Services will serve many functions:
 - The position will be in the same organizational unit as the individual in the communications role, where a strong synergy exists.
 - The position will benefit from a higher profile in the organization, with a greater ability to cross organizational boundaries.

- The position will benefit from greater oversight by the CAO in an area identified as a Council priority.

Customer Service

As a final point in this process, we would like to comment on resident perceptions regarding customer service.

- 76.8% of residents report that they have received a prompt response to questions or concerns
- 85.8% of respondents report that Town of Vegreville staff have treated them in a respectful, professional, and courteous manner.

Residents are generally pleased with the quality of customer service they receive.

Adjusted Staffing Levels

At the outset of this report, it was identified that the Town of Vegreville has significantly more FTEs than benchmarked municipalities. At the outset of the Core Services Review the Town of Vegreville had 94 FTEs relative to a market average of 62.4.

Throughout this report, we have identified factors which impact this benchmark. Factors have included:

- Additional staff arising from contracted services done on a cost recovery basis.
- Additional staff arising from in-house service delivery rather than contracted services where the service appears to be provided in a cost-effective manner relative to benchmarks.
- Areas where the Core Services Review identified vacant FTE positions which were budgeted, but held open, and could therefore be eliminated.
- Positions which were seen as unnecessary or greater than benchmarked norms, and which were, therefore, recommended for elimination.

The following table shows the results of these adjustments, and assumes the recommendations relative to staffing are implemented.

Category	Description	Adjusted Total for Comparison
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Initial Staffing Level	All FTEs, seasonal and summer not included	94
Positions Arising from Contracted Services	1 FTE Ambulance Asst Manager 10 FTE EMR/EMT 2 FTE Ambulance Clerical 1 FTE Mechanic (ambulance maintenance) 0.6 FTE Contracted Utility Operator 0.5 FTE Contracted Bylaw Officer	78.5
Positions Held Vacant Recommended for Elimination	1 FTE Mechanic 1 FTE Public Works Operator 1 FTE Parks Operator	75.5
Positions Arising From Jobs Not Contracted	2.5 FTE Solid Waste Collection 1 FTE VMRF Lead Hand 2 FTE VMRF Labourers 1.5 FTE Landfill Operators	68.5
Positions Recommended for Elimination	1 FTE Admin Clerk 1 FTE HR Coordinator 1 FTE FCSS Asst Manager 1 FTE FCSS Volunteer Coordinator 1 FTE Recreation Asst Manager 1 FTE Utilities Term Labourer 1 FTE Economic Development Admin 1 FTE EA Support Admin Assistant 1 FTE Head Utilities Operator	59.5
Recommended Position Additions	1 FTE Communications Coordinator 1 FTE Legislative Analyst 1 FTE Utilities Manager	62.5

With the implementation of the recommendations in this report, Vegreville will have a rounded total of 85 FTEs. With adjustments for contracted services, and in-house service delivery, we believe that this is equivalent to a benchmarked municipality with

approximately 62.5 FTEs. This compares, relatively favorably, to a benchmarked average of 62.4.